

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2555

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 5-504, Arizona Revised Statutes, is amended to
3 read:

4 5-504. Commission: director: powers and duties: definitions

5 A. The commission shall meet with the director not less than once each
6 quarter to make recommendations and set policy, receive reports from the
7 director and transact other business properly brought before the commission.

8 B. The commission shall oversee a state lottery to produce the maximum
9 amount of net revenue consonant with the dignity of the state. To achieve
10 these ends, the commission shall authorize the director to adopt rules in
11 accordance with title 41, chapter 6. Rules adopted by the director may
12 include provisions relating to the following:

13 1. Subject to the approval of the commission, the types of lottery
14 games and the types of game play-styles to be conducted.

15 2. The method of selecting the winning tickets or shares for
16 noncomputerized ~~on-line~~ ONLINE games, except that no method may be used ~~which~~
17 ~~THAT~~, in whole or in part, depends on the results of a dog race, a horse race
18 or any sporting event.

19 3. The manner of payment of prizes to the holders of winning tickets
20 or shares, including providing for payment by the purchase of annuities in
21 the case of prizes payable in installments, except that the commission staff
22 shall examine claims and may not pay any prize based on altered, stolen or
23 counterfeit tickets or based on any tickets ~~which~~ ~~THAT~~ fail to meet

1 established validation requirements, including rules stated on the ticket or
2 in the published game rules, and confidential validation tests applied
3 consistently by the commission staff. No particular prize in a lottery game
4 may be paid more than once, and in the event of a binding determination that
5 more than one person is entitled to a particular prize, the sole remedy of
6 the claimants is the award to each of them of an equal portion of the single
7 prize.

8 4. The method to be used in selling tickets or shares, except that no
9 elected official's name may be printed on such tickets or shares. The
10 overall estimated odds of winning some prize or some cash prize, as
11 appropriate, in a given game shall be printed on each ticket or share.

12 5. The licensing of agents to sell tickets or shares, except that a
13 person under ~~the age of~~ eighteen YEARS OF AGE shall not be licensed as an
14 agent.

15 6. The manner and amount of compensation to be paid licensed sales
16 agents necessary to provide for the adequate availability of tickets or
17 shares to prospective buyers and for the convenience of the public, including
18 provision for variable compensation based on sales volume.

19 7. Matters necessary or desirable for the efficient and economical
20 operation and administration of the lottery and for the convenience of the
21 purchasers of tickets or shares and the holders of winning tickets or shares.

22 C. The commission shall authorize the director to issue orders and
23 shall approve orders issued by the director for the necessary operation of
24 the lottery. Orders issued under this subsection may include provisions
25 relating to the following:

26 1. The prices of tickets or shares in lottery games.
27 2. The themes, game play-styles, and names of lottery games and
28 definitions of symbols and other characters used in lottery games, except
29 that each ticket or share in a lottery game shall bear a unique
30 distinguishable serial number.

31 3. The sale of tickets or shares at a discount for promotional
32 purposes.

1 4. The prize structure of lottery games, including the number and size
2 of prizes available. Available prizes may include free tickets in lottery
3 games and merchandise prizes.

4 5. The frequency of drawings, if any, or other selections of winning
5 tickets or shares, except that:

6 (a) All drawings shall be open to the public.

7 (b) The actual selection of winning tickets or shares may not be
8 performed by an employee or member of the commission.

9 (c) Noncomputerized ~~on-line~~ ONLINE game drawings shall be witnessed by
10 an independent observer.

11 6. Requirements for eligibility for participation in grand drawings or
12 other runoff drawings, including requirements for the submission of evidence
13 of eligibility within a shorter period than that provided for claims by
14 section 5-518.

15 7. Incentive and bonus programs designed to increase sales of lottery
16 tickets or shares and to produce the maximum amount of net revenue for this
17 state.

18 D. Notwithstanding title 41, chapter 6 and subsection B of this
19 section, the director, subject to the approval of the commission, may
20 establish a policy, procedure or practice that relates to an existing ~~on-line~~
21 ONLINE game or a new ~~on-line~~ ONLINE game ~~which~~ THAT is the same type and has
22 the same type of game play-style as an ~~on-line~~ ONLINE game currently being
23 conducted by the lottery or may modify an existing rule for an existing
24 ~~on-line~~ ONLINE game or a new ~~on-line~~ ONLINE game ~~which~~ THAT is the same type
25 and has the same type of game play-style as an ~~on-line~~ ONLINE game currently
26 being conducted by the lottery, including establishing or modifying the
27 matrix for an ~~on-line~~ ONLINE game by giving notice of the establishment or
28 modification at least thirty days before the effective date of the
29 establishment or modification.

30 E. The commission shall maintain and make the following information
31 available for public inspection at its offices during regular business hours:

1 1. A detailed listing of the estimated number of prizes of each
2 particular denomination expected to be awarded in any instant game currently
3 on sale.

4 2. After the end of the claim period prescribed by section 5-518, a
5 listing of the total number of tickets or shares sold and the number of
6 prizes of each particular denomination awarded in each lottery game.

7 3. Definitions of all play symbols and other characters used in each
8 lottery game and instructions on how to play and how to win each lottery
9 game.

10 F. Any information that is maintained by the commission and that would
11 assist a person in locating or identifying a winning ticket or share or that
12 would otherwise compromise the integrity of any lottery game is deemed
13 confidential and is not subject to public inspection.

14 G. The commission ~~shall~~, in addition to other games authorized by this
15 article, SHALL establish two special games for each year to be conducted
16 concurrently with other lottery games authorized under subsection B of this
17 section. The monies for prizes, for operating expenses and for payment to
18 the commerce and economic development commission fund, as provided in section
19 5-522, subsection A, paragraph ~~3~~ 2, shall be accounted for separately as
20 nearly as practicable in the lottery commission's general accounting system.
21 The monies shall be derived from the revenues of the special games, and
22 monies for prizes do not become an expense to the lottery commission's annual
23 appropriation as provided in section 5-505, subsection D and section 5-522,
24 subsection ~~H~~ I. Monies saved from the revenues of the special games, by
25 reason of operating efficiencies, shall become other revenue of the lottery
26 commission and revert to the state general fund.

27 H. The commission ~~may~~, in addition to other games authorized by this
28 article, MAY establish multistate lottery games to be conducted concurrently
29 with other lottery games authorized under subsections B and ~~H~~ G of this
30 section. The monies for prizes, for operating expenses and for payment to
31 the local transportation assistance fund, as provided in section 28-8101, and
32 the state general fund shall be accounted for separately as nearly as

1 practicable in the lottery commission's general accounting system. The
2 monies shall be derived from the revenues of multistate lottery games.

3 I. The commission or director shall not establish or operate any
4 ~~on-line~~ ONLINE or electronic keno game or any game played on the internet.

5 J. The director shall print, in a prominent location on each lottery
6 ticket or share, a statement that help is available if a person has a problem
7 with gambling and a toll-free telephone number where problem gambling
8 assistance is available. The director shall require all licensed agents to
9 post a sign with the statement that help is available if a person has a
10 problem with gambling and the toll-free telephone number at the point of sale
11 as prescribed and supplied by the director. The requirements of this
12 subsection apply to tickets and shares printed after July 18, 2000.

13 K. BEGINNING IN FISCAL YEAR 2008-2009, IN ADDITION TO OTHER GAMES
14 AUTHORIZED BY THIS ARTICLE, THE COMMISSION SHALL ESTABLISH A SPECIAL GAME
15 EACH YEAR TO BE CONDUCTED CONCURRENTLY WITH OTHER LOTTERY GAMES AUTHORIZED
16 UNDER SUBSECTIONS B, G AND H OF THIS SECTION. THE MONIES FOR PRIZES, FOR
17 OPERATING EXPENSES AND FOR DEPOSIT IN THE PHYSICAL EDUCATION, ARTS AND MUSIC
18 ENHANCEMENT GRANTS FUND ESTABLISHED BY SECTION 15-248 SHALL BE ACCOUNTED FOR
19 SEPARATELY AS NEARLY AS PRACTICABLE IN THE LOTTERY COMMISSION'S GENERAL
20 ACCOUNTING SYSTEM. THE MONIES SHALL BE DERIVED FROM THE REVENUES OF THE
21 SPECIAL GAME.

22 ~~K.~~ L. For the purposes of this section:

23 1. "Game play-style" means the process or procedure that a player must
24 follow to determine if a lottery ticket or share is a winning ticket or
25 share.

26 2. "Matrix" means the odds of winning a prize and the prize payout
27 amounts in a given game.

28 Sec. 2. Title 15, chapter 2, article 2, Arizona Revised Statutes, is
29 amended by adding section 15-248, to read:

30 15-248. Physical education, arts and music enhancement grants

31 A. THE PHYSICAL EDUCATION, ARTS AND MUSIC ENHANCEMENT GRANTS FUND IS
32 ESTABLISHED CONSISTING OF MONIES THAT ARE DEPOSITED IN THE FUND PURSUANT TO

1 SECTION 5-504, SUBSECTION K. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE
2 APPROPRIATION AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING
3 TO LAPsing OF APPROPRIATIONS. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER
4 THE FUND.

5 B. A SCHOOL DISTRICT MAY APPLY TO THE DEPARTMENT OF EDUCATION FOR A
6 GRANT FROM THE FUND. THE DEPARTMENT OF EDUCATION SHALL PRESCRIBE APPLICATION
7 PROCEDURES AND SELECTION CRITERIA. MONIES FROM THE FUND SHALL BE DISTRIBUTED
8 TO SCHOOL DISTRICTS AND SHALL BE USED TO PROVIDE INSTRUCTION IN PHYSICAL
9 EDUCATION, ARTS AND MUSIC.

10 Sec. 3. Retention of monies; AIMS test; history component

11 Notwithstanding section 5-504, Arizona Revised Statutes, as amended by
12 this act, and section 15-248, Arizona Revised Statutes, as added by this act,
13 the department of education shall retain the first one million five hundred
14 thousand dollars deposited in the physical education, arts and music
15 enhancement grants fund and use those monies to develop and implement a
16 history examination component for the Arizona instrument to measure standards
17 test that is approved by the state board of education."

18 Amend title to conform

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